

SEN. GEORGE RUNNER (RET.)

VICE CHAIR
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 9, 2015

Senator Fran Pavley, Chair Senate Committee on Natural Resources and Water State Capitol, Room 5046 Sacramento, CA 95814

RE: SENATE BILL 520 (BERRYHILL) - REPEAL FIRE PREVENTION FEE - SUPPORT -

Dear Senator Pavley,

I strongly support Senate Bill 520, which will repeal an illegal tax—the Fire Prevention Fee (ABx1 29, 2011)—and ensure that rural Californians are not taxed a second time for services similar to those already paid through local property taxes or special district taxes. It will also save the state the costs of collecting, litigating and, likely, refunding this unpopular and unconstitutional tax.

When the "fee" was imposed, supporters including the Governor and legislators, admitted the new levy would not add additional funds to fire suppression services; rather, CAL FIRE's administrative costs would transfer from the General Fund to rural homeowners. So while many counties, cities and districts contract with CAL FIRE for fire protection services and pay a substantial fee funded through property taxes, this illegal tax has only placed more burdens and costs on CAL FIRE and the Board of Equalization (BOE) while providing no additional fire protection for Californians.

The fee is collected annually from over 700,000 rural Californians and is unlike any other program administered by the BOE because it is collected from people, not businesses. Prior to receiving their first bill in 2012, these fee payers had had no contact with the BOE. And relative to the amount of money the BOE collects from each fee payer—about \$115—the fee is very costly administer. The state is clearly spending too much to collect very little.

In addition, the Howard Jarvis Taxpayers Association is currently challenging the fee in court on the basis that ABx1 29 unconstitutionally bypassed the 2/3 legislative vote requirement for tax increases. If the litigation is successful, the state will likely be required to refund fees already collected from homeowners, with interest.

Rather than continuing to pick the pockets of rural Californians as a means of balancing the budget, the Legislature should repeal this tax and uphold the State Constitution. Improved fire protection using existing General Fund resources—not illegal revenue increases—should be the aim of legislative efforts. Therefore, I strongly urge you to support SB 520 and put a stop to the unfair fire tax.

Sincerely,

GEORGE RUNNER

1st District

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